GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1511
ANSWERED ON:09.03.2007
ARREARS OF CUSTOMS AND EXCISE DUTY
Malhotra Prof. Vijay Kumar

Will the Minister of FINANCE be pleased to state:

(a) the quantum of Custom and Excise duty outstanding during the last three years till February 2007, year-wise,

(b) the details of arrears recovered during the last three years till February 2007, year- wise;

(c) the reasons for increase of Custom and Excise duty arrears year after year; and

(d) the steps taken by the Government to liquidate these arrears?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a): The details of quantum of outstanding arrears during the last three years are as under:-

(Rs. in crore)

	As on 31.03.2005	As on 31.03.2006	As on 31.01.2007
Central Excise	12195.00	16092.57	18886.50
Customs	2940.06	4850.55	5938.50
Service Tax	524.03	650.31	1310.09
Total	15659.09	21593.43	26135.09

(b):The details of arrears recovered during the last three years are as under. -

(Rs. in crore)

	2004-05	2005-06	2006-07(upto 31.01.2007)
Central Excise	1799.38	1657.94	1014.95
Customs	843.49	600.29	847.77
Service Tax		881.42	710.70

Total 2642.87 3139.65 2573.42

Figures included in Central Excise.

(c): As revenue collection increases from year to year, the amount of arrears of revenue also somewhat increases. It is stated that generation and liquidation of arrears of revenue is an ongoing process. While old cases are disposed of, new cases are added. The reasons for non-realisation of tax arrears include stay orders by Courts/CESTAT, Commissioner (Appeals), etc; defaulting units being under BIFR/OL/DRT, defaulters not being traceable; cases pending with Committee on Disputes; cases being within appeal period,etC.

(d): The Government has constituted a centralized Task Force under a Chief Commissioner to co-ordinate, facilitate, monitor and oversee the efforts of the Customs and Central Excise field formations towards recovery of arrears. Cases of arrears of revenue are being regularly monitored at various levels with a view to ensuring expeditious disposal of such cases. Urgent action is being taken to recover arrears involved in cases which are free from restraints. Applications for early hearing / vacation of stay orders are being filed in important cases.